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BANKRUPTCY COURT FOR THE
EASTERN DISTRICT OF WASHINGTON AT SPOKANE

In re Giga Watt, Inc.,
Debtor.

UNSECURED CREDITORS
COMMITTEE'S RESPONSE TO
TRUSTEE'S MOTION TO
APPROVE DIP FINANCING AND
TO AUTHORIZE REOPENING
OF THE TNT FACILITY ON
SHORTENED TIME

CASE NO: 18-03197 FPC 11

The Committee of Unsecured Creditors of the Chapter 11 Bankruptcy
Estate of Giga Watt, Inc. ("Committee") hereby responds to the Chapter 11
Trustee's Motion for Order (i) setting expedited hearing on Request for Authority
to Re-Open the TNT Facility and to Borrow on Interim Basis; (ii) authorizing
reopening of TNT Facility, and (iii) approving financing on interim and final
basis with super-priority unsecured status (the "TNT Motion").

1 The loan to restart the TNT Operations is proposed to be superpriority, and
2 hence would be repaid ahead of all professional fees in this case, which given the
3 filing of the case almost a year ago, are not insubstantial. At the upcoming
4 hearing, before approval of the DIP loan, the Chapter 11 Trustee should allay any
5 possible issue of estate solvency. Based on the Committee's own sense of the
6 case, such an outcome is not likely, however, the Chapter 11 Trustee should
7 provide further update concerning how things stand generally in this case.
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10 Furthermore, the Committee further recommends that to the extent not
11 already part of the Trustee's plans for TNT operations, to avoid any accounting
12 concerns from said operations, that the Trustee expressly commit to maintain an
13 accounting of revenues at the level previously used by the Debtor when it
14 operated the facility prepetition, or higher.
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17 Moreover, the Committee would appreciate the Trustee further addressing
18 why, in some sense, it has focused on the TNT facility. In order of magnitude of
19 operations, the present TNT facility – the subject of the present Motion – would
20 have been the Debtor's smallest after Moses Lake/Grant County, which in turn
21 was less than what had originally been touted as the "crown jewel" of Giga
22 Watt's operations, the Douglas County Pangborn site.
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1 TNT perhaps should be activated and put to productive use, as the Moses
2 Lake facility was done before it in May 2019, but in focusing on this lesser
3 operations site, the Committee seeks clarification at the hearing as to the status of
4 Pangborn.¹

6 Finally, while the Committee is statutorily required to be notified of
7 relevant events relating to possible plan confirmation, at the upcoming hearing,
8 the Committee would like the Chapter 11 Trustee to further explain how
9 reopening TNT fits with the timing of some sort of anticipated exit transaction in
10 this case. If the Trustee plans some sort of extended operational phase for TNT
11 (and Moses Lake) before the operating assets are marketed, the fact that the
12 underlying relief sought is part of a long-term as opposed to short-term strategy
13 should be made clear to all stakeholders.
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23 ¹ In the present proceeding, the Chapter 11 Trustee came to a stipulation with the
24 landlord at the Pangborn site, whereby cure of unpaid rent was to be completed
25 before June 17, 2019, otherwise the lease – as distinct from the PUD Contract –
26 would be terminated. ECF No. 253-1. Such deadline was not met, and now
presumably, the *lease* for Pangborn has now been rejected – although not the
electricity contract.

1 DATED this 28th day of August, 2019.

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3
4 By /s/ Benjamin Ellison

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